

**Addendum to:**

**Town of Halton Hills  
2017 Development Charges  
Background Study**

September 28, 2017



Plaza Three  
101-2000 Argentia Rd.  
Mississauga, Ontario  
Canada L5N 1V9

Phone: (905) 272-3600

Fax: (905) 272-3602

e-mail: [info@watson-econ.ca](mailto:info@watson-econ.ca)

[www.watson-econ.ca](http://www.watson-econ.ca)

 **Planning for growth**

---

## **List of Acronyms and Abbreviations**

D.C.	Development Charge
D.C.A.	Development Charges Act
G.F.A.	Gross floor area
s.s.	Subsection
sq.mt.	Square metre



# Summary of Revisions made to June 23, 2017 Development Charges Background Study (as amended)

## 1. Background

Commensurate with the provisions of the *Development Charges Act* (D.C.A.), 1997, the Town of Halton Hills (Town) has undertaken a Development Charges (D.C.) Background Study and has distributed the study to the public, held a public meeting of Council to discuss the matter and passed a D.C. by-law on August 28, 2017. The following provides a summary of the key dates in the D.C. by-law process:

- June 23, 2017 – Release of the D.C. Background Study;
- July 10, 2017 – Public Meeting;
- August 18, 2017 – Addendum to the June 23, 2017 Background Study; and
- August 28, 2017 – Passage of By-Law 2017-0049 (2017 D.C. By-Law).

The purpose of this addendum to the June 23, 2017 D.C. Background Study (as amended) (2017 D.C.B.S.) is to revise the definition of industrial in the 2017 D.C. By-Law to include self-storage facilities. This change in policy and rationale is described in further detail in the following section of this report, and will form part of the D.C. Background Study for Council's consideration and approval prior to adoption of the amending D.C. by-law.

## 2. Discussion

Through the preparation of the 2017 D.C.B.S., D.C. policies and by-law definitions at the Region of Halton and area municipalities were considered to provide consistency of application within the Town. The definition of industrial was part of this review process, and within the Town's 2012 D.C. By-Law self-storage facilities were included within that definition. Review of practice in Halton municipalities determined that:

- The Region of Halton excludes self-storage facilities from the definition of industrial;
- The area municipalities of Burlington and Oakville exclude self-storage facilities from the definition of industrial for industrial expansion exemption purposes; and
- The Town of Milton D.C. by-law imposes charges on retail and non-retail developments. Industrial uses would be considered non-retail, and the by-law

does not clearly indicate if self-storage facilities would be considered industrial for purposes of the industrial expansion exemption.

The outcome of this review was that self-storage facilities would be excluded from the definition of industrial within the Town of Halton Hills 2017 D.C. By-Law. This change in policy had the impact of increasing the charge on self-storage facilities from \$19.30/sq.mt. to \$59.52/sq.mt. (increase of \$40.22/sq.mt).

At the Public Meeting on July 10, 2017, Council heard a delegation in opposition to this change in policy. At the Council Meeting of August 28, 2017, further discussions were held to consider options to mitigate the impact of this policy change on potential self-storage facility developments, including entering into a pre-payment agreement under s.27 of the D.C.A. to allow the prepayment of future development at the current industrial rate. By-law 2017-0049 was passed including a provision that D.C.s for self-storage facilities would be charged the industrial rate from September 1, 2017 to December 18, 2017, to allow time for the Town to consider the use of D.C.A. s.27 agreements.

Council met on September 19, 2017 to discuss this matter further, and after hearing advice from legal counsel, decided not to proceed with the use of a D.C.A. s.27 agreement. Council instead provided direction that the definition of industrial within the 2017 D.C By-Law be amended to reflect the previous practice of the Town, whereby self-storage facilities were included within that definition.

The following subsection summarizes the necessary changes to affect this change.

## **2.1 By-law 2017-0049**

Revisions are required to the Definitions and Applicable Lands sections of By-Law 2017-0049, as follows.

### **Definitions**

1. The definition of industrial in By-Law 2017-0049 is provided below. Subsection 1.(18)(e) excludes self storage facilities from the definition of industrial.

“(18) **“Industrial”**, when used to describe a use or Development, means a use or Development used for, or in connection with,

- (a) manufacturing, producing, processing, storing or distributing something,

- (b) research or development in connection with manufacturing, producing or processing something,
- (c) retail sales by a manufacturer, producer or processor of something they manufactured, produced or processed, if the retail sales are at the site where the manufacturing, production, or processing takes place,
- (d) office or administrative purposes, if they are,
  - (i) carried out with respect to manufacturing, producing, processing, storage or distributing of something, and
  - (ii) in or attached to the Building or structure used for that manufacturing, producing, processing, storage or distribution;
- (e) shall not include self-storage facilities or retail warehouses”

As per the discussion in section 2 of this report, s.s. 1.(18)(e) of By-Law 2017-0049 shall be amended as follows:

“(e) shall not include retail warehouses”

### **Applicable Lands**

1. Subsection 3.(9) of By-Law 2017-0049 provides a description of the statutory industrial expansion exemption that must be provided under the D.C.A., and serves to further clarify the Town’s implementation of this exemption. Consistent with the definition of industrial provided in By-Law 2017-0049, s.3.(9)(e) excludes self-storage facilities from the application of this exemption.
- (9) “The exemptions and exceptions respecting Industrial Development that are described in section 4 of the *Act* also apply under this By-law, namely:
- (a) if the Gross Floor Area of an existing Industrial Building is enlarged by 50 percent or less the Development Charge in respect of the enlargement is zero;
  - (b) if the Gross Floor Area of an existing Industrial Building is enlarged by more than 50 percent, the amount of the Development Charge in respect of the enlargement shall be determined as follows:
    - (i) determine the amount by which the enlargement exceeds 50 percent of the Gross Floor Area before the enlargement;
    - (ii) divide the amount determined in (i) by the amount of the enlargement; and
    - (iii) multiply the Development Charge otherwise payable without

reference to this section by the fraction determined in (ii).

- (c) THAT for greater certainty in applying the exemption in this section, the total floor area of an existing industrial building is enlarged where there is a bona fide increase in the size of the existing industrial building, the enlarged area is attached to the existing industrial building, there is a direct means of ingress and egress from the existing industrial building to and from the enlarged area for persons, goods and equipment and the existing industrial building and the enlarged area are used for or in connection with an industrial purpose as set out in subsection 1(1) of the Regulation. Without limiting the generality of the foregoing, the exemption in this section shall not apply where the enlarged area is attached to the existing industrial building by means only of a tunnel, bridge, canopy, corridor or other passage-way, or through a shared below-grade connection such as a service tunnel, foundation, footing or a parking facility.
- (d) in particular, for the purposes of applying this exemption, the industrial building is considered existing if it is built, occupied and assessed for property taxation at the time of the application respecting the enlargement.
- (e) despite paragraph (d), self-service storage facilities and retail warehouses are not considered to be industrial buildings
- (f) The exemption for an existing industrial building provided by this section shall be applied to a maximum of fifty percent (50%) of the total floor area before the first enlargement for which an exemption from the payment of development charges was granted pursuant to this By-law or any previous development charges by-law of the municipality made pursuant to the Development Charges Act, 1997, as amended or its predecessor legislation.”

Consistent with the proposed change in definition of industrial provided above, s.s 3.(9)(e) shall be amended as follows:

- (e) “despite paragraph (d), retail warehouses are not considered to be industrial buildings”

2. Subsection 3.(11) of By-Law 2017-0049 provides for the phase-in of the application of non-industrial charges to self-storage facilities. This section will be removed from the amended by-law as the industrial charge will apply to self-storage facilities for the duration of the by-law.

### **3. Changes to the Background Report**

Based on the foregoing, the following revisions are made to the pages within the 2017 D.C.B.S. Accordingly, the revised pages are appended to this report:

- Page 7-4 – Revised to reflect changes described in Section 2-1 herein.
- Draft D.C. By-Law.

### **4. Process for Adoption of the Development Charges By-law**

The revisions provided herein form the basis for the 2017 D.C. By-Law amendment and will be incorporated into the 2017 D.C.B.S. This addendum report (i.e. background study) will be provided on the Town's website at least 60 days prior to Council passage of the amending by-law. The report and proposed amending by-law will be presented to Council, and the general public, at a public meeting of Council, prior to Council's consideration and adoption of the proposed amending by-law.

If Council is satisfied with the above noted changes to the 2017 D.C.B.S. and 2017 D.C. By-Law, then prior to by-law passage Council must:

- Approve the D.C. Background Study, as amended;
- Determine that no further public meetings are required on the matter; and
- Adopt the amending D.C. By-law.

## **Appendix A - Amended Pages**

foregoing, the exemption in this section shall not apply where the enlarged area is attached to the existing industrial building by means only of a tunnel, bridge, canopy, corridor or other passage-way, or through a shared below-grade connection such as a service tunnel, foundation, footing or a parking facility.

28. The industrial building is considered existing if it is built, occupied and assessed for property taxation at the time of the application respecting the enlargement.

29. Retail warehouses are not considered to be industrial buildings

30. The exemption shall be applied to a maximum of fifty percent (50%) of the total floor area before the first enlargement for which an exemption from the payment of development charges was granted

b) Non-statutory exemptions

31. A Place of Worship and land used in connection therewith, if exempt from taxation under section 3 of the Assessment Act, R.S.O. 1990, c. A31 as amended;

32. A Public Hospital;

33. A non-residential building in connection with an Agriculture use including “farm help quarters” for farming operation workers and farm storage structures;

34. Charities, non-profit, and non-for-profit organizations may apply to Council to see relief from D.C.s if they meet the following criteria:

- the Building must be used for the exclusive or intended use of the organization;
- the organization must have a valid registration number;
- the organization must have been in existence for a period of at least three (3) years immediately prior to the application;
- the organization must be willing to sign an undertaking under seal agreeing that it will pay the D.C. s if the property ownership is transferred to a non-charitable organization within three (3) years of the date of the building permit issuance, unless the transfer is part of the agreed upon business or purpose of the organization; and
- the use of the Building must be directly related to the core business or purpose of the organization.

35. D.C. s are not payable in respect of a Temporary Residential Unit or Temporary Non-Residential Unit where the Owner signs an undertaking under seal to remove the structure within three (3) years after the date of issuance of the building permit.

36. Enlargement of the Gross Floor Area of an existing Industrial Building that has been in operation for a period of more than five (5) years immediately prior to the



**BY-LAW NO. 2017-XXXX**

**A By-law to Amend By-Law 2017-0049 respecting Development Charges.**

**WHEREAS** the Town of Halton Hills enacted By-law 2017-0049 pursuant to the *Development Charges Act, 1997*, S.O. 1997, C 27 (the “Act”), which Act authorizes Council to pass by-laws for the imposition of development charges against land;

**AND WHEREAS** the Town has undertaken an addendum study pursuant to the act which has identified revisions for inclusion in the Town’s development charges;

**AND WHEREAS** Council has before it a report entitled “Addendum to: Town of Halton Hills 2017 Development Charges Background Study” prepared by Watson & Associates Economists Ltd., dated September 28, 2017 (the “addendum”);

**AND WHEREAS** the addendum has been completed in accordance with the Act

**AND WHEREAS** the Council of the Corporation of the Town of Halton Hills has given notice of and held a public meeting on the 6th day of November 2017 in accordance with the Act and the regulations thereto;

**NOW, THEREFORE, BE IT RESOLVED THAT THE COUNCIL OF THE CORPORATION OF THE TOWN OF HALTON HILLS ENACTS AS FOLLOWS:**

1. By-law 2017-0049 is hereby amended as follows:
  - a. s.s. 1.(18)(e) is deleted and replaced with the following:

“s.s. 1.(18)(e) shall not include retail warehouses”
  - b. s.s. 3.(9)(e) is deleted and replaced with the following:

“s.s. 3.(9)(e) despite paragraph (d), retail warehouses are not considered to be industrial buildings”
  - c. s.s. 3.(11) is deleted from the by-law.
2. This by-law shall come into force on the day it is enacted.
3. Except as amended by the By-law, all provision of By-law 2017-0049 are and shall remain in full force and effect.

BY-LAW read and passed by the Council for the Town of Halton Hills, this 11th day of December 2017.

\_\_\_\_\_  
MAYOR -

\_\_\_\_\_  
TOWN CLERK -